

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

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IN THE MATTER OF THE PETITION :
BY THE DIVISION OF OIL, GAS AND :
MINING FOR AN ORDER DIRECTING :
THE ATTORNEY GENERAL TO RECOVER :
CIVIL PENALTIES, WITHDRAWING :
THE NOTICES OF INTENTION, AND :
REQUIRING IMMEDIATE RECLAMATION :
OR FORFEITING SURETIES FOR APEX/ :
BURGIN MINE (M/049/009), TRIXIE :
SHAFT MINE AREA (M/049/024), AND :
THE TRIXIE WEST EXPLORATION AREA :
(E/049/046); THE CHIEF CONSOLIDATED :
MINING CO. d/b/a CHIEF GOLD MINE, :
SOUTH STANDARD MINING COMPANY, :
and TINTIC UTAH METALS, LLC.; IN :
SECTIONS 11, 15, 21, 22, and 28, T10S, :
R2W, SLB&M; UTAH COUNTY, UTAH :

STIPULATION FOR CONTINUANCE
AND FOR DISMISSAL OF
NOTICE OF AGENCY ACTION

DOCKET NO. 2005-013

Cause Nos. M/049/009 ✕
M/049/024
E/049/046

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Division of Oil, Gas, and Mining, (Division), and Chief Consolidated Mining Company
(Chief) in order to resolve the issues raised by the Division in this action, HEREBY STIPULATE
to a continuance of the hearing now scheduled in the action and to the subsequent dismissal of the
action upon the following terms and conditions:

1. Upon the execution of this Stipulation or prior to August 10, 2005 which ever is
sooner, Chief shall pay to the Division the sum of \$8,250.00 which represents
payment in full of the permit fees for the years 2003, 2004, and 2005 and the
initial penalty assessed for non-payment of the past due fees¹. The remaining

¹ The fees and penalties for each permit are as follows: (a) Trixie West Exploration Project,

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DIV. OF OIL, GAS & MINING

penalties sought by the Division in this action for the Failure to Abate the Cessation Orders for each permit in the amount of \$66,750 shall be held in abeyance and will be collected or adjusted as provided for hereinafter.

2. No later than September 10, 2005, Chief shall cause the Certificates of Deposit being held as surety for the permits that are the subject of this action to be modified or substituted, as necessary, to clarify and provide that they are issued to and held in the name of the Division of Oil, Gas and Mining as surety for reclamation as provided for by the existing Notices of Intention and Reclamation Agreements.
3. Prior to November 15, 2005, Chief shall provide addition surety in a form acceptable to the Division in the additional amount of \$18,100.00 (the past due cost adjustment for Permit M/049/024, Trixie Shaft); and in an additional amount of \$20,000.00 (part of the \$60,000 increase for Permit M/049/009, Burgin Area dry stack area amendment), which are the amounts determined necessary to correct the bond deficiencies for the existing disturbances. These amounts do not include the remainder of the \$60,000 increase required by the permit amendment for the dry stack tailings area that have not yet been disturbed, any amounts required for the Trixie West Exploration Project,

Permit E/049/046, the amount of \$300.00 past due, \$150.00 for 2005 year, and penalty of \$1,100.00; (b) Trixie Shaft Area, Permit M/049/024, \$1000.00 past due, \$500.00 for 2005 year, and penalty of \$1,100; and (c) for the Apex/Burgin Project, Permit M/049/009, \$2000.00 past due, \$1000.00 for the 2005 year, and penalty of \$1,100.00. Totals: past due fees \$3,300.00; penalty, \$3,300.00, and 2005 fees \$1,650.00; grand total \$8,250.00.

Permit E/049/046 as a result of the 2003 amendments to the Utah Mined Land Reclamation Act, and any amount needed to adjust the surety for the Burgin Area to provide for cost adjustments associated with increases in costs of reclamation. These additional adjustments shall be made as provided for by paragraph 5 hereinafter.

4. Upon payment of the \$8,250 for fees and penalties provided for under paragraph 1, and the adjustment in ownership of the Certificates of Deposit as provided for by paragraph 2, and the delivery of additional amounts of surety as required by paragraph 3, the hearing set for this matter shall be cancelled and this Request for Agency Action shall be held in abeyance pending payment of the final surety amount as provided for in paragraphs 6 and 7 hereof, and final resolution of the Failure to Abate Penalties.
5. As soon as adequate information has been provided by Chief and the evaluations can be completed by the Division, but in any event prior to May 15, 2006 the amount of surety for each permit including adjustments for increased costs, released acreage, and other changes that may be agreed upon as required prior to commencement of mining or exploration operations shall be determined.
6. Prior to June 30, 2006 unless extended by written agreement with the Division, Chief shall post the additional amount of surety as determined.
7. Upon posting of the required surety, the division shall review the assessment of the failure to abate cessation orders and shall determine the final amount of the penalty to be paid as is consistent with the rules and purposes of the Utah

Mined Land Reclamation Act. Unless appealed, the amount of the penalty shall be paid within 30 days.

8. The amount of additional surety and the amount of failure to abate penalties may be appealed to the Board at a regularly schedule monthly hearing under its continuing jurisdiction over this matter within 30 days of said determination, provided the parties are given 30 days notice prior to the hearing.
9. Upon payment of the penalty and posting of the necessary surety amounts, as determined by the Division or the Board, this matter shall be dismissed with prejudice.
10. In the event Chief shall fail to meet any of its obligations as set out in paragraphs 1, 2, and 3 above, the Division shall immediately set the matter for hearing at the earliest regularly scheduled Board hearing, but no later than the December 7, 2005, Board Hearing. The Board shall at that time hear testimony, receive evidence, and take action regarding each of the remaining issues as alleged in the original Request for Agency Action.
11. The foregoing Stipulation is executed by the undersigned on behalf of Chief Consolidated Mining Company pursuant to a corporate resolution or pursuant to other authority to bind the company.

THIS STIPULATION shall be effective on the date last executed below:

CHIEF CONSOLIDATE MINING COMPANY



Richard R. Schreiber, Chief Executive Officer
Dated this 3 day of August, 2005

Dated Aug. 3, 2005

DIVISION OF OIL GAS AND MINING

John Baza, Director

Dated _____